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AUSTRALIA + NEW ZEALAND

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2021 FARM STATISTICAL SURVEY

We have pleasure in presenting our Farm Statistical Survey for 2021. The Survey summarises data entered in our farm statistics database using our client's 2021 Financial Statements and information provided.

Each farm type displays graphs for relative statistics showing the group average in blue and the average of the top three performers in red.

The benchmark is compared on the key statistic being Operating Surplus per Ha.

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GLOSSARY	
T.G.F.P.	Total Gross Farm Profit
C.F.W.E.	Cash Farm Working Expenses
F.S.V.	Fair Sale Value
T.F.C.	Total Farm Capital

DEFINITION OF FARM TYPE

1. **Intensive Crop**
   This group must have a minimum of 60% of total gross profits being generated from cropping.

2. **Downlands Livestock**
   These properties are generally of easy contour with very little tussock. Most of the property can be cultivated by wheel tractors though a four-wheel drive tractor or crawler may be required occasionally.

3. **Flatland Livestock**
   By definition, these properties are completely flat.

4. **Hill & High-Country Livestock**
   These properties are obviously steeper by nature, and with small to moderate areas able to be cultivated by wheel tractor. These properties have portions of tussock and some native pasture.

5. **Dairy Factory Supply**
   All properties factory supply.

AVERAGE RESULT FOR EACH FARM TYPE – NET PROFITS

Farm Type	Rank	2017 $	Rank	2018 $	Rank	2019 $	Rank	2020 $	Rank	2021 $
Intensive Crop	**3**	79,109	**3**	97,742	**5**	103,526	**3**	131,751	**2**	155,610
Downlands Livestock	**4**	28,967	**4**	66,421	**3**	139,806	**4**	120,851	**5**	20,898
Flatland Livestock	**5**	12,752	**5**	62,984	**4**	107,234	**5**	70,711	**4**	50,963
Hill & High-Country	**2**	89,580	**2**	223,015	**1**	227,745	**2**	207,837	**3**	86,556
Dairy Factory Supply	**1**	93,364	**1**	338,662	**2**	175,166	**1**	560,053	**1**	731,398

Average Results for each Farm Type

1. The 2021 year again saw the Dairy sector with the highest Net Profits. This result has been the same for four of the past five years.

2. Net profits increased in only two farm types in 2021 – Dairy and Intensive Crop. The increases were driven by the following factors:
    a) Dairy - the increased payout along with lower debt servicing costs due to debt repayment and lower interest rates in 2021.
    b) Intensive Crop – better margins on winter lambs saw a small increase in some cases and again, a decrease in the cost of debt servicing.

3. The decline in income for the livestock-based sectors was due to the very dry summer which influenced the finishing ability for livestock, with many stock sold at discounted prices.

AVERAGE LAMBING PERCENTAGES

Lambing %	2016 %	2017 %	2018 %	2019 %	2020 %	2021 %
Intensive Crop	133.4	126.3	107.7	124.6	112.6	139.3
Downlands Livestock	125.9	135.5	133.0	142.9	141.1	122.9
Flatland Livestock	125.2	131.9	115.2	129.1	125.3	132.6
Hill & High-Country	105.0	110.6	112.5	116.9	115.4	116.4

1. The Downlands farms recorded a decrease in lambing percentages reflecting the significant animal health issues experienced by some clients in the survey.

2. Properties in North Otago and Marlborough had poor lambing compared to those in Canterbury.

AVERAGE SALE VALUE OF LIVESTOCK & PRODUCE

1. The 2021 year saw the lowest lamb prices since 2017 due to the influence of drought.

Average Sale Value Lambs	2016 $	2017 $	2018 $	2019 $	2020 $	2021 $
Intensive Crop	101.18	97.43	147.89	152.67	150.70	141.00
Downlands Livestock	77.66	91.29	119.50	120.43	118.67	114.20
Flatland Livestock	91.16	95.75	119.87	129.20	122.64	109.86
Hill & High-Country	67.75	80.18	98.91	109.36	108.27	95.73

3. Average prices recorded for cattle with increased prices for farm types with irrigated land compared to those not irrigated.

Average Sale Value Heifers	2016 $	2017 $	2018 $	2019 $	2020 $	2021 $
Intensive Crop	774.21	1,009.00	1,183.00	980.50	1,326.40	1,348.29
Downlands Livestock	975.94	1,000.91	1,218.11	1,358.60	1,168.67	1,089.71
Flatland Livestock	841.32	1,129.00	1,279.67	997.70	1,018.00	1,218.33
Hill & High-Country	977.91	1,246.78	1,314.40	1,277.00	1,245.70	1,007.82

Average Sale Value Steers	2016 $	2017 $	2018 $	2019 $	2020 $	2021 $
Intensive Crop	1,240.35	1,486.50	1,315.60	1,114.00	1,303.60	1,525.14
Downlands Livestock	1,227.22	1,278.00	1,527.25	1,491.73	1,490.89	1,282.13
Flatland Livestock	-	1,112.00	1,137.75	1,105.30	1,351.00	1,041.33
Hill & High-Country	1,040.78	1,342.50	1,451.45	1,394.40	1,279.78	1,057.90

AVERAGE SALE VALUE PER KILOGRAM OF MILK SOLIDS

1. The overall average payout for 2021 recorded an increase on the previous year of .09c per kilogram of milk solids. This is the second highest average payout recorded.

2. Supplementary feed costs will continue to grow with the increase of grain prices. Farmers will need to maintain steady production under a regime of decreased fertiliser inputs.

3. Financial institutions continue to pursue principal repayments from the industry due to the higher level of debt within the dairy sector.

2012 $	2013 $	2014 $	2015 $	2016 $	2017 $	2018 $	2019 $	2020 $	2021 $
6.38	5.92	7.44	5.41	3.64	5.51	6.34	6.36	7.12	7.21

AVERAGE OVERALL DEBT SERVICING

1. This statistic stayed relatively the same as the previous year across all farm types except for Flatland Livestock which recorded a marked increase. This was due to considerable increase in debt for capital projects undertaken by two larger farms in the survey, hence increasing the Interest & Rent as a % of T.G.F.P. for the farm type.

	2016	2017	2018	2019	2020	2021 $
Interest & Rent as a % of T.G.F.P.						
Intensive Crop	15%	17%	18%	17%	16%	14%
Downlands Livestock	14%	19%	13%	11%	12%	11%
Flatland Livestock	24%	24%	20%	15%	16%	23%
Hill & High-Country Livestock	15%	15%	11%	10%	11%	14%
Dairy Factory Supply	28%	23%	20%	20%	16%	15%
Interest & Rent per Stock Unit						
Downlands Livestock	19.56	23.00	16.12	18.31	20.80	19.64
Flatland Livestock	37.59	42.44	36.33	47.33	29.82	38.06
Hill & High-Country Livestock	15.13	12.91	12.00	12.59	11.40	12.71

AVERAGE OVERALL OPERATING SURPLUS

1. The operating surplus per hectare is a key result for comparison.

2. Significant decreases in revenue rather than increased costs have driven the operating surplus down for both Downlands Livestock and Hill & High-Country farms.

Average Operating Surplus per Ha

Farm Type	2016 $	2017 $	2018 $	2019 $	2020 $	2021 $
Intensive Crop	1,532.40	1,415.79	1,464.10	1,591.21	1,638.20	1,621.69
Downlands Livestock	242.93	327.29	414.71	573.62	528.75	229.07
Flatland Livestock	505.05	403.33	472.85	545.60	594.50	518.25
Hill & High-Country	161.84	133.27	210.44	239.60	176.67	142.05
Dairy Factory Supply	255.91	2,516.63	3,236.88	2,848.29	3,931.86	4,606.81

AVERAGE OVERALL TOTAL FARM CAPITAL

For this statistic we calculate the estimated fair sale value of land, buildings, livestock, plant, and dairy co-op shares.

Changes in Total Farm Capital are reflective of the differences in values of livestock, vehicles, and plant, as land values have been relatively static.

Estimated Fair Sale Value of Total Farm Capital

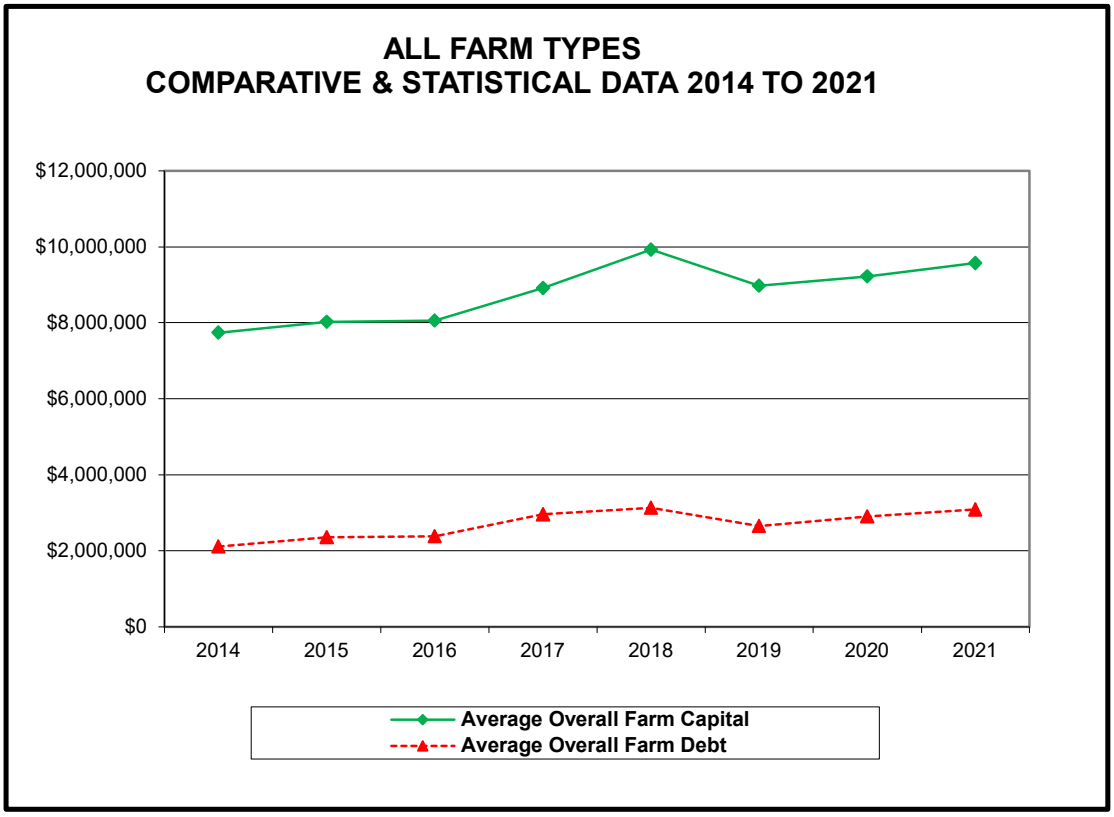
Farm Type	2015 $	2016 $	2017 $	2018 $	2019 $	2020 $	2021 $
Intensive Crop	6,314,820	7,186,153	7,817,857	9,917,533	10,043,133	9,924,467	10,422,953
Downlands Livestock	7,085,000	7,287,833	7,213,824	7,043,289	6,956,000	7,342,400	7,989,500
Flatland Livestock	5,123,733	5,034,642	4,921,438	5,188,251	5,302,736	5,142,790	5,871,545
Hill & High-Country	6,067,142	6,160,715	7,419,091	8,221,455	7,887,091	8,304,459	8,247,500
Dairy Factory Supply	15,551,000	14,625,000	17,207,750	19,271,429	15,226,000	15,396,000	15,338,000
Average	**8,028,339**	**8,058,869**	**8,915,992**	**9,928,391**	**9,082,992**	**9,222,023**	**9,573,900**

AVERAGE OVERALL TOTAL DEBT

1. The average debt level across all farm types increased by $183,191 to $3,085,175.

2. Banks are continuing to seek debt reduction. Many farms are able to meet these demands with little effect on their cash flow due to reduced debt servicing from low interest rates.

Total Debt - Term and Current

Farm Type	2015 $	2016 $	2017 $	2018 $	2019 $	2020 $	2021 $
Intensive Crop	1,229,841	1,463,856	1,728,943	2,119,399	2,434,041	2,363,162	2,717,822
Downlands Livestock	1,673,752	1,714,538	1,529,968	1,397,454	1,421,283	1,506,091	1,580,724
Flatland Livestock	786,739	867,695	824,068	832,658	810,503	834,467	1,075,093
Hill & High-Country	820,103	701,734	657,097	662,751	736,740	663,414	1,010,633
Dairy Factory Supply	7,269,046	7,164,806	9,004,939	10,655,003	7,865,566	9,142,788	9,041,605
Average	**2,355,896**	**2,382,526**	**2,749,003**	**3,133,453**	**2,653,627**	**2,901,984**	**3,085,175**

COMPARISON AVERAGE OVERALL FARM DEBT TO AVERAGE OVERALL FARM CAPITAL